

VZCZCXRO9578  
PP RUEHAG RUEHROV RUEHSL RUEHSR  
DE RUEHCV #1232 2612104  
ZNY CCCCC ZZH  
P 182104Z SEP 09  
FM AMEMBASSY CARACAS  
TO RUEHC/SECSTATE WASHDC PRIORITY 3722  
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY  
RUEHWH/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUMIAAA/HQ USSOUTHCOM MIAMI FL PRIORITY

C O N F I D E N T I A L CARACAS 001232

SIPDIS

HQSOUTHCOM ALSO FOR POLAD  
DEPARTMENT PASS TO AID/OTI (RPORTER)

E.O. 12958: DECL: 09/18/2029  
TAGS: [PGOV](#) [KDEM](#) [VE](#)  
SUBJECT: CHAVEZ ANNOUNCES GOVERNMENT RESTRUCTURING

Classified By: POLITICAL COUNSELOR ROBIN D. MEYER,  
FOR REASON 1.4(D)

11. (C) Summary: President Chavez unveiled September 17 two new structures within his central government, pledging to fully explain the changes and 40 pending economic decisions in the coming days. He designated six of his Cabinet ministers as Vice Presidents with different areas of responsibility, who will comprise a new Presidential Council, which Chavez will personally oversee. Separately, he announced that 3 ministers and the Solicitor General will stand up a commission to "lighten" administrative processes. Although Chavez has been sketchy on the details of these new positions, it appears that he is creating a parallel structure made up of the ministers widely perceived to be his closest allies. End Summary.

-----  
TWO NEW STRUCTURES ANNOUNCED  
-----

12. (SBU) Chavez announced September 17 a restructuring of the central government, and state-run Venezolana TV (VTV) related that 40 economic decisions would be announced in the next few days. Chavez pledged to explain the changes, commenting that "we have begun a new restructuring of the government, to give it better cohesion and convert the Council of Ministers into a political entity, not merely administrative. We have created two echelons -- the first with the Presidential Council of Ministers." He pledged to hold a second meeting with his ministers on September 19, which he said would also include mayors and governors as guests.

13. (SBU) The Council of Ministers -- which numbers 25 -- will now include a newly created Presidential Council, overseen by Chavez, that includes six vice presidents and an executive-designated permanent secretary. The six VPs and their areas of responsibility are: Minister of Defense Ramon Carrizales (defense); Luis Reyes Reyes from the Office of the Presidency (social); Minister of Planning Jorge Giordani (finance and economics); Minister of Industry Jesse Chacon (economic production); Minister of Energy Rafael Ramirez (territorial development); and Minister of Foreign Affairs Nicolas Maduro (politics). Former Mayor of Caracas Freddy Bernal was appointed the council's permanent secretary, with an office in the Miraflores presidential palace. In addition, Carrizales, Giordani, Minister of Finance Ali Rodriguez, and Solicitor General Gladys Gutierrez will stand up a commission tasked with "lightening" administrative processes.

-----  
COMMENT  
-----

14. (C) Chavez's appointees for the new Presidential Council are the ministers that appear to be closest to him personally. His motivation to create a parallel structure of VPs in conjunction with the administrative commission may be an effort to address a core issue contributing to his declining popularity, namely growing criticisms of the inefficiency of his government. End Comment.  
DUDDY